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Good Afternoon:

Let me first thank Senator Kerry and Committee for this opportunity to speak on a subject that currently has and will have a futuristic impact on our economy.

My testimony today is based on my experiences and those of my clients who I represent as a consultant and minority-owned small businessman. There are documented successes of minority companies who have both the capacity and capabilities to provide value added services in various areas including but not limited to job creation, technology advancements and marketing development, to name just a few. Small and minority companies are responsible for infusing the economy with technology innovation, financial benefits and employment growth. In spite of their abilities and accomplishments they receive little or no opportunity to be a prime contractor.

I believe the policy language to attain the level of Federal Procurement Awards are outdated, out of touch and inappropriate for the 21st century. Much of the language creates difficulties for minority companies to progressively compete in areas of employment and growth. The SBA business development program 8(a) needs a major revamping to catch up with the global economy of competition with its oversight, language and restrictions placed on minority businesses. Many minority companies are asked to team with majority companies to help them win contracts but receive minimum benefits after the contract has been awarded. Insufficient follow-up or monitoring is provided by the Federal Agency to see how the minority companies are fairing after the award.

Minority companies need more informed people, i.e. SBA Business Specialist to assist them in assuring correct and timely information is conveyed. It appears that many of these specialists lack the business acumen and or clear understanding of contracting procurement procedures thus creating problems and delays for small and minority businesses.

In many cases, small business specialist and program managers receive little direction or delayed instructions on the proper promulgation of regulations. These specialists are also the ones whose mission is to review all procurement opportunities and to work with agency contract officers to determine the appropriate sourcing methods. Few minority companies understand the process and procedures on filing secretarial appeals that requires analysis of sourcing decisions by the small business specialist. As important as these appeals are, they are rarely actually reviewed by agency heads and are not reviewed or recorded for public record.

In summary, the playing field can be leveled by ensuring minority companies are provided with equal access to information, education and training of timely policies and procedures. There needs to be monitoring and accountability by federal agencies after awards are presented to majority companies to ensure parity occurs within the minority company. Additionally, severe penalties need to be levied against the majority company if found in violation of the procurement award. The largest room in the world is the room for improvement and there is plenty of improvement needed as it relates to access to federal contracts and leveling the playing field for minority companies.

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